

May 28, 2013

The Randolph County Board of Commissioners met at 6:00 p.m. for a special budget session in the 1909 Randolph County Historic Courthouse Meeting Room, 145 Worth Street, Asheboro, NC. Commissioners Holmes, Frye, Haywood, Kemp and Lanier were present. The purpose of this meeting was to hear a formal presentation of the Proposed FY 2013-2014 Budget and budget requests from the County and City Schools, Randolph Community College and Sandhills Center Mental Health.

Will Massie, Assistant County Manager/Finance Officer, presented the Proposed FY 2013-2014 Budget via PowerPoint presentation. Mr. Massie said that Randolph County's local economy has begun to stabilize since the decline of the recession, and that there are some signs of improvement. However, we are not back to where we were in 2008, and will not be for several more years.

Mr. Massie stated that because the entire budgeted amounts for schools, the college, outside agencies and debt service had to be paid, this placed a burden on county departments to offset the appropriation of fund balance.

Mr. Massie stated that departments had postponed vehicle and equipment replacement, essential technology, facility maintenance and additional personnel in order to reduce expenses and meet the yearly budget. Other factors, such as the use of fund balance and changes in NC Legislation, have also affected the current budget.

Mr. Massie listed the items for which Fund Balance was used, enabling the County to weather the worst of the recession, as follows:

- Emergency Services communications equipment (VIPER)
- Transfers to Water Fund
- Advance to RCC Capital Project
- Archdale Lions Club Building
- Balfour School Debt Service
- 2013 Technology Work Plan
- Costs shifted to counties by State of NC

Mr. Massie also listed the following items affecting the budget as a result of State Legislature decisions:

- Public School Bldg Capital Fund
 - ADM: Nothing received since November 2008
 - Lottery: capped (Senate budget eliminates statutory percentages)
- Unemployment benefits –requires prepayment. (Will have to pay '12-'13 and then prepay '13-'14 in the fall of '13.)
- Child Support Enforcement– 34% match at local level. Clerk of court fees will now be added to expenses.
- Reductions in state funding
- County funding for SROs during summer months at \$232,000

Mr. Massie explained that the in the original 2012-13 budget was the appropriated fund balance was \$5.3 million and is currently around \$8 million. If the County loses \$3 - 4 million this fiscal year that will take the fund balance down to 20%, which is the minimum that the Board set (2.5 months of operating expenses). Mr. Massie warned that using the fund balance to balance the 2013-14 budget was no longer an option.

Because County departments will need to start replacing equipment and vehicles they can no longer be expected to save substantial portions of their budget.

Mr. Massie reviewed the following highlights from the proposed budget:

- FY2013-2014 Proposed Budget totals \$111,456,393 (1.2% increase from last year)
- Tag and Tax Together Program – paid together, which should increase tax collections, reduce postage, but have to pay DMV processing. Effective 9/1/13.
- Increases property tax rate by 4.4 cents to 63.0 cents per \$100 valuation (Revaluation 1/1/14 will affect the '14-'15 budget)
- No available Fund Balance to appropriate
- Continued decline in usage departmental fees
- Requested new positions – 17 were requested with only 6 Social Services positions being included in the proposed budget as they are covered by federal/state funds
 - Administration, IT, Tax: 3 total new positions requested
 - Public Buildings: 2 new positions requested
 - Emergency Services: 4 telecommunicator positions requested
 - Social Services: 6 positions requested and included in proposed budget
 - Child Support Enforcement: 1 position requested
 - Juvenile DRC: 1 position requested
- No adjustment to employee pay plan
- No increase in employee medical costs
- Education – 24% of total budget. Slight increase in the County schools ADM relative to the City Schools. Based on the ADM shift, the following is what is being proposed:

		Requested	Proposed
Randolph County Schools	Current Expense	\$17,664,901	\$ 17,173,066
	Current Capital	\$ 7,913,659	\$ 2,215,616
Asheboro City Schools	Current Expense	\$4,656,116	\$ 4,490,951
	Current Capital	\$ 860,000	\$ 579,408
	Construction Capital	\$250,000	\$ 250,000
Randolph Community College	Current Expense	\$ 2,522,976	\$ 2,328,000
	Current Capital	\$ 485,000	\$ 485,000

- Requests from outside agencies not included in the proposed budget:
 - Communities in Schools – \$8,000 additional operating
 - Randolph Vocational Industries – \$10,000 additional operating

- Ash-Rand Rescue - \$25,000 capital
- YMCA - \$50,000 capital
- Two fire districts are requesting an increase in fire tax rates: Bennett and Level Cross

Mr. Massie reminded the Board of his recommendation he presented at the retreat to dedicate a specific revenue stream to be used for capital replacement and future pay-as-you-go capital improvement projects.

Mr. Massie concluded by saying that County officials have a responsibility to communicate the status of departmental operations to the Commissioners and the public. With the school's capital improvement plan requests in March, County department updates in April, and now the budget presentation in May, the Board will have a good idea of where the finances are and where the needs are. The Board has the responsibility to find the right balance between meeting the public's demand for services and the public's desire to pay for them. If anything is added to next year's budget, there must be recurring resources to pay for it.

Asheboro City Schools

Dr. Diane Frost, Asheboro City Schools (ACS) Superintendent, reported that the ACS goals were to provide a high quality education preparing students for 21st Century success in a globally competitive environment by engaging each student in such a way to motivate them to be self-directed and inquisitive learners; implement a comprehensive assessment system; improve achievement; create opportunities for parents, community and business leaders to actively engage in supporting student achievement; and develop essential leader, teacher and staff competencies while optimizing all resources to achieve the goals.

Dr. Frost said that the budget request includes necessary funding for growth in enrollment, which is estimated at approximately 80 students and to cover a salary increases at \$100,000 and increases in hospitalization and retirement rates at \$55,000.

The ACS Board of Education is requesting \$4,656,116 in current expense, which is an increase of \$150,000 over the 2011-12 amount. She also asked that their supplemental tax rate remain at \$.1385/100.

Dr. Frost stated that the ACS Board of Education has outlined three major priorities for capital outlay projects over the next ten years, which was presented to the Board of Commissioners in March 2010 and at additional meetings over the past several years, as follows:

1. Additions and renovations at Asheboro High School
2. Addition at North Asheboro Middle School
3. New Elementary School

Dr. Frost expressed their appreciation to the Commissioners for their support to move forward with the replacement of the Old Balfour School (ECDC) that is scheduled to open in fall of 2013.

Dr. Frost stated that they are proud of the progress ACS made in 2012-13 with the following upgrades: ECDC prekindergarten project, restrooms and concession stand project underway at Lee J. Stone Stadium, and replacing an activity bus.

Current capital priorities for the coming year include:

- Security upgrades
- SAMS heat pump
- NAMS field improvements
- AHS chiller towers
- Handicap lifts at NAMS and SAMS
- Roofing projects
- Energy efficiency upgrades
- LP kitchen renovation
- LP additional fencing for playground
- Yellow bus

The ACS is requesting \$1,110,000 for capital improvements for the 2013-14 school year, as follows:

• Current Capital	860,000
• Construction Capital	<u>250,000</u>
	\$1,110,000

Dr. Frost thanked the Commissioners for their continued support to Asheboro City Schools and said they will continue to be good stewards of the taxpayers' dollars, providing the best education possible within their resources.

Randolph County Schools

Donald Andrews, Randolph County Schools Superintendent, presented the Randolph County Schools budget request, and distributed to Board members an amended version of their budget request, which no longer includes funding for updates to Braxton Craven for Archdale-Trinity area reconfiguration.

Mr. Andrews said that the proposed Governor's and Senate's budgets have proposed reductions to include teacher assistants, classroom teachers, instructional support, supplies, school bus replacement and driver's education.

Mr. Andrews stated that the County Schools are requesting \$17,664,901 in Current Expense funding, which is a \$507,000 increase over last year or 2.95% increase, to be utilized for continued costs in salary, benefits, utilities and insurances; and to sustain three social worker positions from an expiring grant.

The Capital Outlay request totals \$6,713,659 and represents a \$4.5 million increase over last year (203% increase). Funds would be used for updates/renovations to the four original high schools and exterior door replacements at older schools for safety measures.

Mr. Andrews said that the Archdale-Trinity Special Tax District has requested that their supplemental tax rate of \$0.09 remain the same.

In conclusion, Mr. Andrews thanked the Commissioners for their continued support and consideration of needs.

Randolph Community College (RCC)

RCC President Dr. Robert Shackleford stated that RCC is in its 51st year of operation and continues to increase in enrollment. But he stressed that they are good stewards of money that they receive and listed some examples of their stewardship, as follows:

- Received the State Energy Award for Energy Conservation;
- Signed on for the Better Buildings Challenge, which is an initiative through the Department of Energy to conserve energy;
- Received LEED gold certification for the Continuing Education and Industrial Center;
- From 2007-2012, the campus square footage increased by approximately 37,000 square feet but the utility costs decreased \$66,000;
- Four consecutive years of meeting the “Exceptional Performance Standards;”
- Collaborative relationships across Randolph County taking education to areas outside of the Asheboro and Archdale campuses and the University Center in connection with other Universities and their curriculums.

Dr. Shackleford stated that between 2008-2012:

- Enrollment increased 26% while per student spending decreased by 21%;
- Spent more than \$7 million on needed equipment to train individuals for the workforce;
- Added 35,000 square feet of classroom space to serve students (not including the CEIC, which adds another 47,000 square feet);
- Started five new programs (cosmetology, welding, medical assisting, industrial engineering and global logistics);
- Added 20 Career and College Promise Pathways;
- Added 18 pre-majors;
- Served 14,945 curriculum and 33,108 continuing education students.

Dr. Shackleford said that RCC is requesting \$2,522,976, which is \$194,976 over last year to cover increased costs in health care, retirement benefit costs, worker’s compensation and liability insurance costs, additional costs for CEIC and its utilities costs.

Dr. Shackleford thanked the Board for their continued support of RCC and the citizens of Randolph County.

Recess

At 7:35 p.m., the Board recessed.

Meeting Resumed

At 7:49 p.m., the Board returned to regular session.

Sandhills Mental Health

Victoria Whitt, Sandhills Director stated that their request of \$844,000 is the same as last year. She said that this is the ninth consecutive year that Sandhills has not requested an increase in County funding.

Ms. Whitt updated the Commissioners regarding the merger with Guilford County, stating that now nine counties are a part of the Sandhills LME. Board membership is being adjusted based on new laws.

Adjournment

There being no further business, the meeting adjourned at 7:58 p.m.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Arnold Lanier

Stan Haywood

Amanda Varner, Deputy Clerk to the Board